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County Executive

Office of

The Dutchess County Executive

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November 1, 2007

To Gary Cooper, Chairman of the Dutchess County Legislature; Members of the Dutchess County Legislature; and Residents of Dutchess County

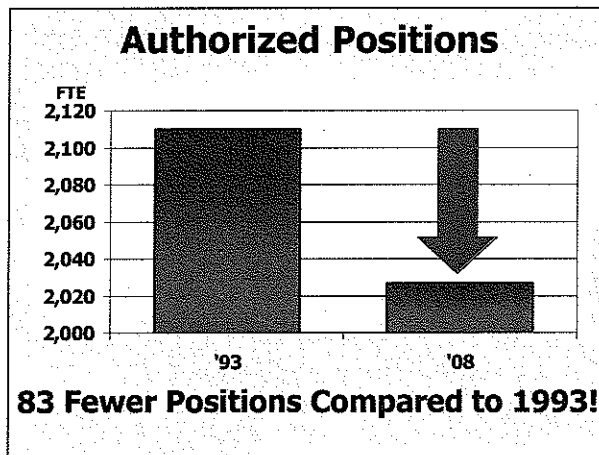
My 2008 proposed Executive budget reduces the property tax rate by 16% and decreases the tax levy 5%. The proposed rate of \$2.17 per thousand is the lowest county property tax rate on record. Our county government share of the property taxes continues to shrink accounting for approximately 13% of the property taxes collected across the county.

We continue to control taxes with a 2% spending increase tightly held below the rate of inflation. This Executive budget maintains core services and programs vital to our County residents, and offers some important new initiatives. However, spending constraint and outstanding county employees are the most important factors in my ability to reduce both the property tax rate and levy in the proposed Executive budget.

Our local economy remains solid, in a large part as a result of our successful economic and job development policies. Major fiscal challenges will always confront county governments with many beyond our control. However, we will continue to manage them to the best of our ability. With the creation of our many proactive and strategic programs and services over the years, we have positioned County government and the larger community to prosper. This Executive budget will allow that to continue.

Key Initiatives

The 2008 budget continues our strategic approach of realigning our workforce, with some specific examples highlighted in this message. While this budget provides for new targeted positions, it's important to note in 2008 county government will continue to have fewer county employee positions than in 1992 when I took office. This is a tribute



to the creativity and productivity of dedicated county employees and the innovative leadership of the management team.

Economic Development & Tourism

To ensure we continue to have the necessary professional attention on **economic development and jobs growth**, to continue with job retention, expansion, and new business recruitment, and to support the tourism industry, all of which contribute so much to our local economy, this budget includes \$350,000 for support of Dutchess County Economic Development Corporation. \$746,731 is included for Tourism which provides an additional \$100,000 to support the planning and implementation of the **Hudson-Fulton-Champlain Quadricentennial Celebration**, a collaborative initiative between Dutchess County Tourism and our county Historian, Planning & Development Department and Marist College's Hudson River Valley Institute.

"Give Them The Tools They Need" Initiative

My leadership philosophy has always been committed to help recruit and retain volunteers across many service areas of our organization as well as throughout our community. Our Emergency Response Department could not complete its mission and goals without dedicated volunteers. Whether they are Deputy Fire and EMS Coordinators or members of the Critical Incident Stress Team, Fire Investigation Division, Fire Police Response Team, Fire Prevention and Public Education Bureau, Hazardous Materials Response Team or Operation K.I.D.S., the thousands of hours devoted by volunteers strengthen our communities and saves hundreds of thousands of dollars every year.

The need for volunteer training and equipment is growing based on an increase in emergency call volume and new requirements. This budget provides a total of \$370,000 including additional resources for volunteer training and equipment to *give them the tools they need* to serve and protect residents professionally, promptly and efficiently.

Our Medical Reserve Corps (MRC) program brings together community volunteers to help prepare for and respond to emergencies by adding to the existing local emergency and public health resources. Volunteers include members of the community from all walks of life including medical and public health professionals such as physicians, nurses, pharmacists, dentists, veterinarians and epidemiologists; office workers; interpreters; chaplains; legal advisors; social workers and more. Through *Dutchess County Government Cares* public outreach efforts and ongoing training activities, the number of volunteers has increased by 28% in the past 9 months for a total of 700 committed members – 50% of whom are licensed professionals. In fact Dr. Richard Daines, Commissioner of the New York State Department of Health and

resident of Dutchess County, signed on as a MRC medical volunteer as a result of our public outreach!

Inter-municipal Conference – “Sustainable Living Communities”

Next year, we will organize an inter-municipal *Sustainable Living Communities* Conference to focus both local and county attention on: assisting our seniors to age in place; to consider obesity-related illnesses as a concern in healthy community development; and to address the growing need for community volunteers and neighbors to offer informal transportation or a helping hand. The budget provides funding to support this important initiative.

Land Conservancy Project

Several northern Dutchess communities are adopting Conservation Subdivision Regulations following our *Greenway Connections* and **GREEN** initiative. We have had conversation with Amenia, Dover, Red Hook, Rhinebeck and Milan to support an ***Inter-municipal Land Conservancy Initiative*** to provide administrative and legal staff support to create and hold easements for one of my centerpiece strategies -- preserving open space. An annual investment of \$75,000, in conjunction with local fees from developers and municipal dues, will allow us to develop this collaborative initiative which will be the first of its kind in the Hudson Valley.

Preserving Our Environment

I have included funding to support several key **environmental initiatives** and to continue our **GREEN** agenda. Funding a technical services contract to provide the County and its municipalities access to a hydro geologist for assistance and advice on critical water resource management activities will continue. This budget continues my commitment to our *Comprehensive Well Water Testing* with funding for the next phases of this ongoing project. Three new positions have been added to the Health Department to support this important initiative and the additional new workload from the few local mandatory well testing laws.

I will direct funding to the *Agricultural and Farmland Protection Board* to conduct appraisals to support the acquisition of conservation easements on important farmland. Cornell Cooperative Extension will assist in the completion of the *Agricultural District Recertification* process, creating and maintaining an improved database of farm size and activity that will assist us in future agricultural recertifications.

Community Health Initiatives

Another key initiative of mine is to improve positive health outcomes for our children and families. The proposed budget continues our unprecedented

commitment to a healthy Dutchess with funding to **emphasize prevention and long-term benefits**. By strengthening and expanding our human services programs, we will see these investments recouped with long term savings for taxpayers.

Children's health remains a top priority of mine. The 2008 Executive Budget continues my major commitment to the successful, comprehensive tobacco use prevention and childhood obesity programs with an allocation of \$525,000 through the ***Children's Health Initiative*** created in 1999 as part of the Children's Services Council. Recent research by the *Choices for Change Coalition* shows a **33% decrease** in tobacco use among Southern Dutchess teens since I began this critical initiative. The 2008 allocation will bring the total funding I've committed to these children's health initiatives to nearly \$4 million.

Our ***Comprehensive Cancer Control Program***, one of the only locally funded programs nationwide, will receive more than \$110,000 in resources including \$65,000 to fund mini-grants and outreach efforts to address action steps based on the results of the Community Needs Assessment unveiled recently by the *Cancer Consortium* I established last year. This continued support will help to promote better cancer prevention, improve detection and increase access to treatment and support services.

I recently launched Dutchess County's ***HEART Safe Community Program*** in partnership with the American Heart Association. The aim of the *HEART Safe Community Program* is to improve the chances for anyone suffering from sudden cardiac arrest to survive through the use of cardiopulmonary resuscitation (CPR) and increased access to defibrillation devices. My budget provides \$25,000 to purchase 12 additional automated external defibrillators (AED) for the county's public buildings and vehicles which allows us to continue to lead by example as as part of our *HEART Safe Community* initiative..

The budget provides \$65,000 to initiate an ***Integrated Countywide Assessment Process*** to examine the local health and human service system including the environment and will enhance our current Integrated County Planning process for DSS and the Youth Bureau.

More than \$200,000 has been allocated to hire **additional Child Protective Services case workers**. CPS case managers investigate child abuse and work to keep families together and ensure children remain safe through service plans which include counseling for families, substance abuse treatment and domestic violence services. Social Services will also implement a second shift for CPS next year to improve response time for after-hours calls and caseload processing.

Funding is included in the Health Department for Lyme disease research to continue the support initiated by the County Legislature several years ago with the aim of reducing the risk of disease to our residents.

Veterans

We recognize and appreciate the sacrifice and service of our local veterans. As new veterans continue to return home from **Iraq and Afghanistan**, there is an increased need for services and support. That is why I will enhance resources to include a **new Veterans counselor position and new transportation funding**.

The new counselor position will enable us to increase our presence in Beacon, Pine Plains and Poughkeepsie. The additional staffing will also allow for home visits for senior and disabled veterans and/or widows/widowers and provide for increased participation in community events.

Transportation to medical appointments at the VA hospital and clinics is often a critical issue for many low-income, disabled or elderly veterans. To assist Veterans with these needs, we are working on having the County's bus service add a stop at the VA hospital with **bus passes provided to low income veterans**. We will also work with disabled and elderly veterans who are unable to utilize bus service to coordinate contracted transportation services.

Seniors

Senior citizens make up one of the fastest growing segments of our population. To better meet the challenge of keeping our seniors in our local communities, the 2008 budget provides for continued support for **Dutchess NY Connects** to provide assistance with long term health needs.

This year we brought together community stakeholders to form a **Senior Transportation Workgroup**. I am including \$20,000 in the 2008 budget for a Senior Transportation Coordinator to implement Phase II of the *Senior Transportation Study* by focusing on ways to increase usage and maximize benefits to meet the needs of this growing population.

Funding is provided to hire a part time Dial-A-Ride aid to assist elderly senior and/or disabled citizens to and from their homes with packages and walkers and for the Rebuilding Together agency to do home modifications for seniors to increase their safety, security and independence. Emergency supplies and food for cooling and heating centers, additional nutrition funding for home delivered meals and continued support for our popular Senior Exercise and Brain Games Programs is also provided.

Maintaining & Enhancing Infrastructure and Parks

While economic growth and development from our proactive agenda has brought many benefits to Dutchess County, it also creates challenges to provide a safe and reliable public works infrastructure as well as the appropriate amenities for a great quality of life.

We maintain and improve almost 400 miles of county roads and 144 bridges and plan additional improvements to our parks operations and facilities, including development of **Quiet Cove Riverfront Park**, the County's newest park. Funding is also provided for two additional concerts at Bowdoin Park next year, following this year's highly successful Kenny Loggins concert made possible through our partnership with the Bardavon Opera House and Cumulus Broadcasting.

Community & Public Safety

Critical to maintaining our County's quality of life is keeping our community safe and providing our residents a sense of "well being." The 2008 budget provides \$115,000 for the **Youth Gang Prevention Initiative** to provide positive activities and adult mentoring in order to prevent youth gang behavior.

The NYS Division of Probation and Correctional Alternatives awarded Dutchess County \$946,000 to implement a five-year **Juvenile Risk Intervention Services Coordination Program (J-RISC)**. The 2008 budget includes \$229,212 for year one of this program to provide a new Probation Officer and Case Manager Aide to work in collaboration with The Astor Home for Children to focus on reducing recidivism in youth age 11-18 with a goal of increasing positive outcomes for at-risk youth and their families.

Our proactive plan of working with at-risk youth will help keep youth from further involvement in the criminal justice system and save taxpayer money by avoiding future costs. Dutchess County is **one of only seven counties selected statewide** to receive this funding – yet another example of Dutchess County being a state leader with proven strategies.

For the third year in a row, the budget provides Sheriff Anderson with two new deputy sheriff positions to meet increased workload and reduce overtime costs. The **Sheriff's 2008 budget request represents a 12% spending increase of nearly \$3.7 million** which will be funded almost entirely with local net to county taxpayer's expense. We recognize and support the needs of law enforcement to provide the training and tools to protect our residents. Fortunately this year we will be able to support some of these needs through the use of asset forfeiture funds rather than at the taxpayers' expense. This will help reduce the burden on taxpayers and reduce spending growth while providing the necessary tools for

law enforcement to carry out the important work they do every day to protect our residents.

Working Smarter

Dutchess County continues to “work smarter” through collaborative partnerships. We partner with several community agencies to provide important programs and services for youth, families, seniors and businesses - programs which have a lasting positive impact on our quality of life. My 2008 budget continues these collaborative partnerships with a focus on performance outcomes to be sure we are getting the best possible services for our county dollars. Over the past two years, the Health and Human Services Cabinet provided outcome training to community agencies to further this goal.

One example is our long successful partnership with *Hudson River Housing* in creating new affordable housing opportunities. In fact, my 2008 budget provides additional new resources of \$118,000 to address the immediate needs of the homeless and provide assistance to help those successfully transition into rental units and homeownership.

Mandates and Other Costs Beyond Our Control

State imposed mandates remain the dominant and growing portion of every county’s budget. Dutchess County’s budget is no exception.

Included in our 2008 budget will be a state-required 3% growth rate in local costs to pay for the state’s mandated Medicaid program, requiring more than \$39.5 million in funds directly from local property taxpayers. This is an **increase of more than \$2 million** over the current year cost.

Costs for other state mandated social services programs including foster care, day care, juvenile detention, institutional care, family assistance and safety net will increase by more than \$6 million for a **total cost to county taxpayers of more than \$8 million in 2008.**

Funds from the *Medicaid/Mandate Stabilization* “set aside” will be used to offset the taxpayer cost for state mandated social services programs. The stabilization plan which I proposed and the Legislature endorsed in the 2006 budget set aside approximately \$13 million in prior year Medicaid appropriations to pay costs over the next three to four years, reducing the future burden on our taxpayers.

Costs for the state mandated *Preschool Special Education and Early Intervention* services for children from birth through five years are projected to be nearly \$21 million next year. While these costs have stabilized after years of sharp increases, these programs remain a significant cost to taxpayers.

Beyond programmatic state mandates, other non-discretionary costs factor heavily in county budgets. While pension costs to fund our employees' retirement have gone down slightly, the 2008 proposed pension budget appropriates \$9.1 million.

Health insurance costs for employees and their families total \$20.7 million in 2008, an increase of \$1.2 million, reflecting the current trend experienced throughout the insurance industry. Our decision to change to New York State's **Empire Plan** this year offers more than \$4 million in cost avoidance over the next five years, brings greater price stability and reduces premium costs for our employees as well as our retirees who choose to maintain traditional health insurance.

I am pleased we reached agreement with the DCSEA **correction officers** on a new four-year agreement. As always, our goal is to acknowledge and reward our employees for the outstanding service they provide while keeping our taxpayers who fund our employee contracts in mind. A resolution will be before the County Legislature this month to fund this agreement. With all three employee agreements in place, we will have fiscal predictability over the next few years.

Dutchess County Resource Recovery Agency's (RRA) operational costs have increased from the 2007 "net service fee" of \$4.1 million to \$5 million as the cost of the federally mandated environmental improvements made to the facility in 2005 are absorbed. Increased transportation costs for ash removal are also contributing to a rise in the "net service fee", the county's payment which is required under agreement between the county and the RRA.

Energy costs for county government in 2008 are estimated at **\$4.5 million, up 11% overall**. We continue to be impacted by the same costs families and local businesses are facing: heating fuel and electricity for our large complex of County buildings as well as gasoline costs incurred for the Sheriff's patrol, buses, highway department equipment and other County vehicles.

Budget Facts

The county's financial standing continues to be challenged by uncontrollable increases in state mandates as well as escalating costs for operational activities. In 2006, the county was faced with a revenue shortfall of \$6 million due to the return of the sales tax exemption on clothing and footwear under \$110. This shortfall was compounded by an additional \$7 million in 2007 which the county would have received absent the return of the exemption for a total **\$13 million loss of sales tax revenue**.

OTB revenue has decreased sharply due to state legislation changing the distribution of these funds and diverting revenue away from counties.

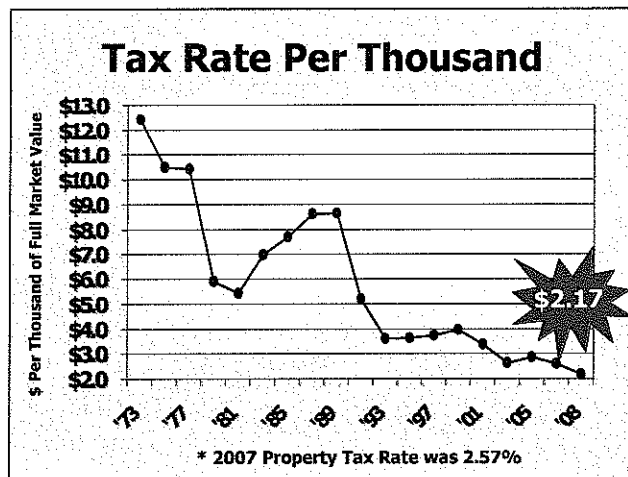
Transportation Aid revenue is also shrinking as the state's distribution formula factors in the decline in mortgage recording fees.

To fund these mandates and address these fiscal challenges, over 50 counties were forced to request state legislation this year to extend increases in the county sales tax rate. It was also necessary to implement a .25% mortgage tax in order to diversify revenue and maintain structural balance for this year and for future years.

Sales tax supports approximately one-third of total expenses. The 2008 proposed budget includes a \$129.9 million sales tax estimate which reflects 3% growth over the 2007 year end projection of \$126 million. The 2008 estimate reflects the current 3.2% economic growth trend we have experienced so far this year. The mortgage tax estimate of \$6.8 million for 2008 is based on the current 7.2% rate of decline in mortgages projected this year.

We are currently working with our financial advisors on a bond issue to be completed this fall, the proceeds of which will be used to finance capital projects already authorized by the Legislature. These projects include repairs and improvements to County facilities, highway and bridge improvements, improvements to our Parks, open space and farmland protection and Dutchess Community College renovations for the education of our workforce. Debt service for this borrowing is included in the 2008 budget.

The Tentative Executive Budget before you of \$394 million maintains funding for the core services and programs vital to our county residents, while **holding new spending below the inflation rate.** The County property tax rate will decrease by 16% to \$2.17 per \$1,000 of full market value. The 2008 proposed budget represents the lowest property tax rate on record back to 1973.



Although the County's property tax rate per \$1,000 of assessed property value will go down, the impact on an individual tax bill can vary from town to town based on local assessments and state equalization rates, both factors beyond the County's control.

Closing

Dutchess County's economy is stronger than most counties, and through strong, sustained fiscal stewardship and multi-year planning, we remain on solid financial footing. However, fiscal challenges are always present. We must continue these efforts if we are to balance the need for important programs and services with the impact on our taxpayers. I believe this budget achieves the balance needed to successfully move our community vision and priorities forward while preserving Dutchess County as a desirable place to live, work and raise a family.

In closing, I wish to express my thanks to my entire Executive Office, to all my Executive Department Heads and to the independently Elected Officials for their cooperation and support throughout the development of the 2008 Executive Budget.

Sincerely,



WILLIAM R. STEINHAUS
County Executive

NOTE: The Capital Budget plan and message is attached and submitted with the tentative operating budget and levy resolutions.

Footnote: In the 2007 modified budget, fringe benefits are partially distributed to each department to better reflect the true cost of doing business and to maximize revenue claiming for reimbursable departments. The 2008 proposed budget reflects closer to a full year of fringe allocations. **This change will skew any year to year comparisons of departmental costs.**